

# State School Building Lease-Purchase Program

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## Overview

This handbook provides guidelines necessary to process an application for a Lease-Purchase project under the provisions of the State School Building Lease-Purchase Law of 1976.

## The Law

The State School Building Lease-Purchase Law of 1976 (Law) is part of the Education Code beginning with Section 17700. Also known as the Lease-Purchase Program, it provides a funding source for school districts to acquire school sites, construct new school facilities or rehabilitate existing school facilities.

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# The State Allocation Board and the Office of Local Assistance

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## The State Allocation Board

The State Allocation Board (SAB) exercises control by approving applications for Lease-Purchase projects, apportioning school building funds, and establishing regulations, policies, and procedures for the administration of the Law.

## State Allocation Board Members

The State Allocation Board consists of the following members:

- the Director of Finance
- the Director of General Services
- the Superintendent of Public Instruction
- two State Senators
- two State Assembly persons

## The Office of Local Assistance

The Office of Local Assistance (OLA), an office of the Department of General Services, serves as the staff to the State Allocation Board. The OLA reviews project applications and submits recommendations to the SAB.

## Administrative Management

The Office of Local Assistance is directed by a Local Assistance Officer who is appointed by the Governor. This appointee also serves as the Executive Officer to the State Allocation Board.

The Assistant Executive Officer is appointed by the SAB to act as liaison between the State Allocation Board and the Office of Local Assistance.

The Deputy Local Assistance Officer is selected by the Local Assistance Officer subject to the approval of the Director of General Services. The Deputy Local Assistance Officer oversees the daily operations of the office.

## Office Sections

The Office of Local Assistance is comprised of the following sections:

- Administrative Services
- Field Services
- Fiscal Services
- Special Services

Each section ensures that projects comply with pertinent laws, regulations, and Board policies (see *Exhibit 1: The Office of Local Assistance Organization Chart, page 1-5*).

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**Administrative Services Section**

The Administrative Services Section consists of the following support services:

- Business Services
  - Information Systems
  - Publications and Program Assistance
  - Management Analysis
  - School Facilities Inventory
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**Field Services Section**

The Field Services Section administers the State School Building Lease-Purchase Program for new construction, modernization, and reconstruction projects and makes funding recommendations to the SAB.

The Field Services Section is divided into geographical “regions” of the State. Each district is assigned a field representative. The field representative is the district’s primary contact throughout the application process.

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**Fiscal Services Section**

The Fiscal Services Section conducts the fiscal matters for various programs administered by the Office of Local Assistance:

- Project Fund Releases
  - Fund Releases
  - Local Matching Share Requirements
  - Available Rents
  - Project Auditing
  - Loan Approvals (when applicable)
  - Property Reimbursements
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**Special Services Section,**

The Special Services Section provides support functions and services throughout the Lease-Purchase Program application process. The following units provide support directly to the Lease-Purchase Program:

- Plan Review
- Change Order
- Energy Conservation/Environmental Impact

In addition, the Special Services Section also administers the following programs:

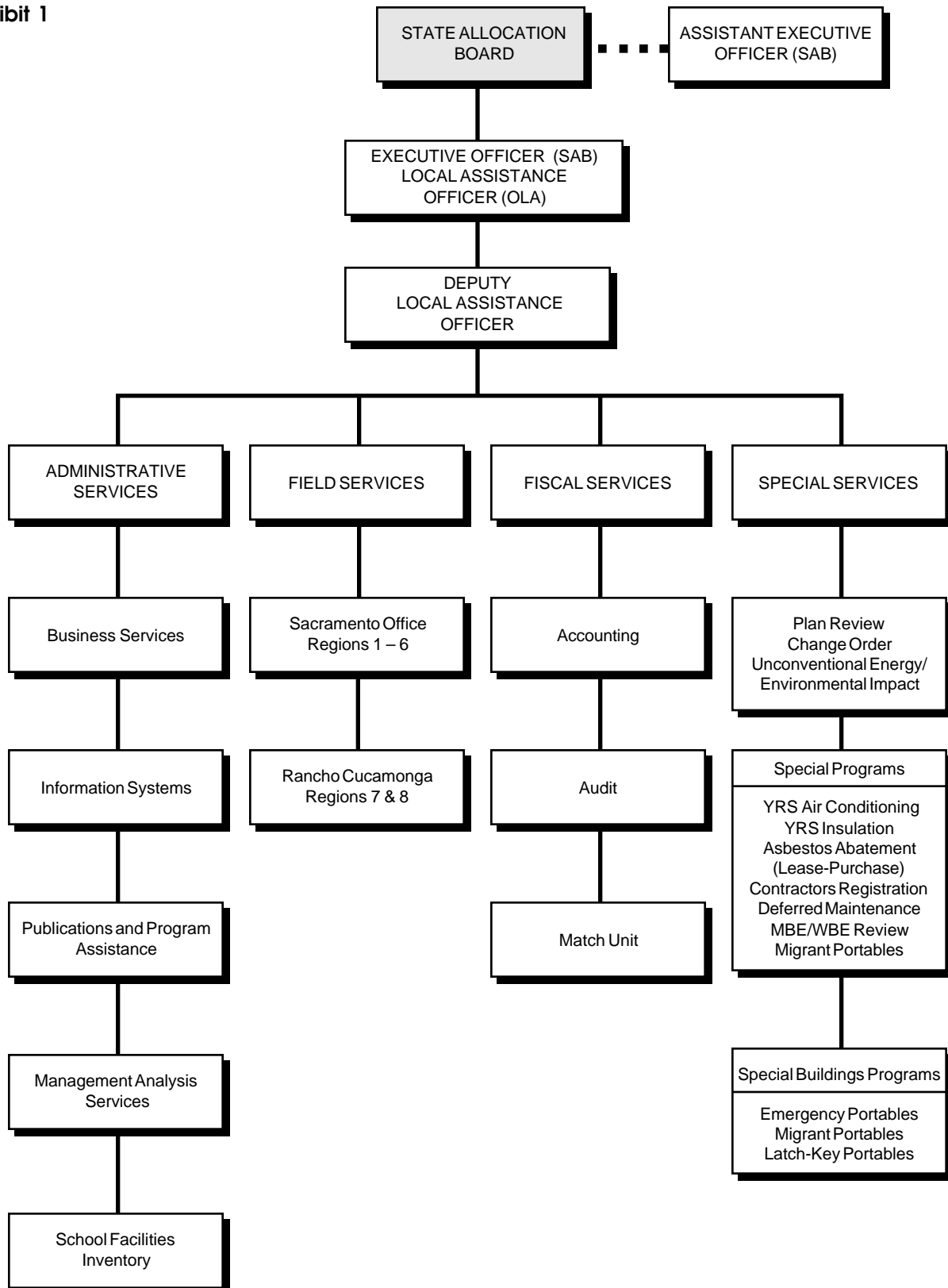
- Deferred Maintenance
- Year-Round Schools Air Conditioning/Insulation
- Emergency Portables
- Migrant Portables
- Lease-Purchase Asbestos Abatement
- Contractors Registration
- Minority and Women Business Enterprises. ☺

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# The Office of Local Assistance Organization Chart

Exhibit 1



# Program Options

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## Introduction

The State School Building Lease-Purchase Program offers qualifying California public school districts various capital outlay programs which include new construction, modernization and reconstruction.

This volume of the State School Building Lease-Purchase Program Applicant Handbook addresses the State's new construction program. The modernization and reconstruction programs will be discussed in future volumes.

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## Funding Sources

New construction program funds may be provided from any funding source made available to the SAB. Historically, these funds have been provided from the following funding sources:

- State General Obligation Bonds
- Tidelands Oil Revenue
- Continental Shelf Funds
- State's General Fund

In addition, school districts must currently provide a portion of a project's cost. District funding sources may include but are not limited to:

- local bonds
- developer fees

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## Advance Planning Loan

An advance planning loan is a loan provided to any district that submits a statement of its intent to file a subsequent project application (see *Section 2, Advance Planning Loan*).

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## New Construction

The new construction program was established under the Leroy F. Greene State School Building Lease-Purchase Law of 1976. This conventional method allows for the construction of new schools and additions to existing schools as justified within the standard three and four year projected enrollment period.

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## Advance Site and/or Plans

A school district may apply for the advance purchase of a site and/or plans using accelerated enrollment projections of up to two years longer than the three and four year projection allowed on a conventional construction application. Advance site and/or plans apportionments are subject to a repayment provision if not justified on a conventional enrollment projection within a five year period (see *Appendix 1, Advance Site and/or Plans*).

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<b>Modernization</b>	The modernization program provides for the renovation of buildings which have not been rehabilitated within the last 30 years, or in the case of portable buildings, the last 20 years. Prior to January 1, 1987, this program was known as the reconstruction program.
<b>Reconstruction</b>	The reconstruction program provides for an increase in the capacity of a building during a modernization project while enhancing the use of the facility to achieve one or more educational purposes.
<b>50/50 Program</b>	When a school district wishes to contribute 50 percent of the cost of a State School Building Lease-Purchase Program project (new construction, modernization, or reconstruction), the project may be justified within either a three and four year or five and six year projected enrollment period. This program was previously known as "advance construction" (see <i>Appendix 2, 50/50 Program</i> ).
<b>Fast Track</b>	Upon a project's initial approval, the fast track application method assures that an advance construction project is granted an apportionment equal to 50 percent of the estimated total project cost (see <i>Appendix 3, Fast Track</i> ).
<b>Cost Sharing</b>	The cost sharing program applies to new construction projects wherein the State shares a portion of the costs for facilities constructed pursuant to the Mello-Roos Community Facilities Act of 1982 (see <i>Appendix 4, Cost Sharing</i> ). ☺

# Application Process

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## Overview

An application is required for each site at which a project is proposed. Each school building project proceeds through the following phases:

- Phase I
- Phase II
- Phase III

Additionally, each application may be subject to the following constraints:

- matching share requirement
- priority points thresholds
- minority and women business enterprises contract participation goals

## Phase I

Phase I of the application process includes an initial application review necessary to determine the district's eligibility. It also provides funding to allow the district to secure architectural services for the preliminary planning/design of the proposed project. This is referred to as the "feasibility study" phase.

## Site Acquisition

Site acquisition costs are normally apportioned upon approval of the Phase II application. However, if the following documentation is submitted and approved, the district may receive an apportionment for the site and related incidental costs *prior* to a Phase II approval (see *Site Acquisition Prior to Phase II, page 3-B-25*).

- real property appraisals
- site approval by the California Department of Education
- environmental impact documents

## Phase II

Phase II of the application establishes an estimated project budget and provides funding for the final planning/design and/or site acquisition.

## Phase III

Phase III of the application process provides funding for the construction of school facilities.

## Matching Share Requirement

All project applications are subject to a local contribution of funds. This is known as the "matching share". The "match period" is the period of time during which a school district is required to contribute a matching share of the project cost toward a State School Building Lease-Purchase Program project (see *Appendix 5, Matching Share Requirement*).

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**Priority Points**

Priority points shall be computed and assigned to an application whenever the SAB determines that there will be insufficient funds to meet the estimated needs for all districts in any given fiscal year (see *Appendix 6, Priority Points*).

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**Minority and Women Business Enterprises Contract Participation Goals**

Minority and women business enterprises contract participation goals apply to all Lease-Purchase contracts including but not limited to:

- surveys
- appraisals
- tests
- architectural services
- consultant services
- construction
- inspection
- furniture and equipment

*Refer to Appendix 12, Minority and Women Business Enterprises (M/WBE) Contract Participation Goals.*

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**Where to Obtain Forms and Assistance**

For application forms and assistance in preparing these forms, excluding San Bernardino, Orange, Riverside, and Imperial counties contact:

Office of Local Assistance  
501 J Street, Suite 400  
Sacramento, CA. 95814  
(916) 445-3160

For San Bernardino, Orange, Riverside, and Imperial counties contact:

Office of Local Assistance  
9681 Business Center Dr., Building 16  
Rancho Cucamonga, CA 91730  
(714) 945-1316

All inquiries should be directed to the appropriate OLA field office.

**Note:** Forms and application documents are distributed free of charge to applicant districts. ☺

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